

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
ROOM 113
THURSDAY, AUGUST 17, 2006
8:30 A.M.**

Commissioners Present: Deb Schorr, Chair
Bob Workman, Vice Chair
Larry Hudkins
Bernie Heier
Ray Stevens

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Trish Owen, Chief Deputy County Clerk
Ann Taylor, County Clerk's Office

The Chair opened the meeting at 8:30 a.m.

AGENDA ITEM

1 APPROVAL OF STAFF MEETING MINUTES OF THURSDAY, AUGUST 10, 2006

MOTION: Stevens moved and Heier seconded approval of the Staff Meeting minutes dated August 10, 2006. Hudkins, Stevens, Workman and Schorr voted aye. Heier abstained from voting. Motion carried

2 ADDITIONS TO THE AGENDA

- A. Holiday Meeting Schedule
- B. Budget Adjustments

MOTION: Stevens moved and Heier seconded approval of the additions to the agenda. Workman, Hudkins, Heier, Stevens and Schorr voted aye. Motion carried.

3 NATIONWIDE RETIREMENT SOLUTIONS (NRS) ANNUAL PENSION INVESTMENT PERFORMANCE REVIEW - Curt Morrow, Nationwide Retirement Solutions (NRS) Investment Services Manager; Diane Fite, Senior Pension Consultant; Joyce Hall, Marketing Director; Chad Christensen, Retirement Specialist

Curt Morrow, Nationwide Retirement Solutions (NRS) Investment Services Manager, presented Lancaster County, Nebraska; 401(a) & 457(b) Deferred Compensation Plans, Investment Performance Report (Exhibit A), which included the following recommendations:

Add the following funds:

1. Mid Cap Blend Fund - Add the *Dreyfus Premier Structured Midcap Fund (Class A)*
2. Large Cap Growth Fund - Add the *American Funds The Growth Fund of America (Class R3)*
3. Large Cap Growth Fund - Add the *T. Rowe Price Growth Stock Fund (Class R)*
4. High Yield Bond Fund - Add the *American Funds American High Income Trust (Class R3)*

Close and remove the following funds and map assets and deferrals accordingly:

1. Close and remove the *AIM Mid Cap Core Equity Fund (Class A)* because of performance and map assets and deferrals to the *Dreyfus Premier Structured MidCap Fund (Class A)*
2. Close and remove the *American Century Ultra Fund (Inv Class)* because of performance and a manager change and map assets and deferrals to the *T. Rowe Price Growth Stock Fund (Class R)*
3. Close and remove the *Dreyfus Appreciation Fund, Inc.* because of performance and map assets and deferrals to the *Davis New York Venture Fund (Class A)*
4. Close and remove the *Neuberger Berman High Income Fund (Inv Class)* because of performance and map assets and deferrals to the *American Funds American High Income Trust (Class R3)*

Place three funds on a "Watch List", due to performance:

1. *JP Morgan Diversified Mid Cap Growth Fund (Class A)*
2. *JP Morgan Mid Cap Value Fund (Class A)*
3. *MFS Total Return Fund (Class A)*

Discussion took place regarding 12B-1 fees. Morrow said the fees are one of the sources of income that NRS receives from the fund managers and are used to offset the administrative costs of running the program. He said NRS receives reimbursements in addition to the 12B-1's such as sub-transfer agency fees (fees paid for record keeping services provided to the fund house).

Hudkins asked whether decisions on the funds were "colored" by revenue sharing.

Morrow said they were not, stating revenues are not the priority.

MOTION: Workman moved and Heier seconded to forward the report to the Pension Review Committee for review and recommendation. Heier, Workman, Stevens, Hudkins and Schorr voted aye. Motion carried.

The following members of the Pension Review Committee were present: Terry Adams, Doug Cyr, Kerry Eagan, Tim Genuchi, Dave Kroeker, Greg Meyer and Trish Owen.

4 PENDING LITIGATION - Doug Cyr, Chief Administrative Deputy County Attorney

Doug Cyr, Chief Administrative Deputy County Attorney, gave a brief overview of a lawsuit filed by DeAnn Stover.

MOTION: Hudkins moved and Workman seconded to authorize the County Attorney's Office to settle the case for \$2,200. Workman, Stevens, Hudkins, Heier and Schorr voted aye. Motion carried.

5 REGION V PER DIEMS - C. J. Johnson, Program Administrator for the Region V Mental Health, Alcoholism & Drug Abuse Program

C. J. Johnson, Program Administrator for the Region V Mental Health, Alcoholism & Drug Abuse Program, discussed the request from Region V for a three percent increase in the per diem rate for substance abuse. **NOTE:** The impact to the County is \$6,683.

Hudkins said Lancaster County is paying significantly more than the other counties in Region V (89 cents per capita versus 23 cents per capita) and said there was an agreement that Lancaster County's rate would remain flat until the other counties catch up.

Dave Kroeker, Budget and Fiscal Officer, said the proposed across-the-board increase would further distort those amounts. He said the County is also overmatched in mental health funding. Kroeker stated that, in the past, Region V paid back those funds back to the County but said it is hard to determine anymore whether the County is getting all of those funds back.

Johnson agreed to provide data to the County to assist in tracking those funds.

Johnson said in 1999, 74 percent of all new admissions to the provider network were from Lancaster County. Last year, that figure rose to 82 percent. He said a significant portion of the dollars that Lancaster County contributes is directed back to the Community Mental Health Center (CMHC) and said \$293,000 is allocated to the cost of running the Crisis Center. The State also contributes \$1 million towards that cost. Johnson also pointed out that the partnership that exists between the counties in Region V has allowed the Region to move State dollars into Lancaster County specific services.

MOTION: Heier moved and Workman seconded to approve a three percent increase in the per diem rate for substance abuse, a deviation from the current agreement, for a one year period. Stevens, Heier, Workman, Hudkins and Schorr voted aye. Motion carried.

6 BUDGETS FOR LANCASTER COUNTY AGRICULTURAL SOCIETY, LANCASTER COUNTY RURAL FIRE DISTRICTS AND RAILROAD TRANSPORTATION SAFETY DISTRICT (RTSD) - Dave Kroeker, Budget and Fiscal Officer

Dave Kroeker, Budget and Fiscal Officer, reviewed Lancaster County Allocation of Levy 2006-07 (see agenda packet), noting final valuation figures are not available.

Lancaster County Rural Fire Districts

Kroeker reviewed FY07 Tax & Levy Information on Lancaster County Fire Districts (see agenda packet) and said the only fire districts that are close to the maximum are Malcolm and Raymond.

Railroad Transportation Safety District (RTSD)

Roger Figard, City Engineer, appeared and discussed the tax request from the Railroad Transportation Safety District (RTSD) Board for Budget Year 2006-07, .0260 per one hundred dollars of valuation (the estimated tax request is \$4,734.717). He noted that valuations have gone up and said he would be agreeable to lowering the levy and adding a three percent cost-of-living increase, or inflation factor, to the original \$4.4 million projection.

Stevens said he is not comfortable with those numbers, noting the budget that the RTSD reviewed in March was \$4.2 million, which reflected a three percent increase over the previous year's valuation. He said that figure was recalculated, based on an assumed valuation, to come up with the \$4.7 million figure.

MOTION: Stevens moved and Hudkins seconded to tentatively approve \$4,350,000 for the Railroad Transportation Safety District (RTSD). Heier, Workman, Hudkins, Stevens and Schorr voted aye. Motion carried.

Lancaster County Agricultural Society

Ron Snover, Lancaster County Agricultural Society President, appeared and discussed the Lancaster County Agricultural Society Board's tax request for Budget Year 2006-2007, the General Fund Budget and capital projects (see agenda packet).

Schorr asked Snover to breakdown Event Center Rental Income to show the campground revenue.

Kroeker noted that the Board no longer receives monthly reports and has not received a copy of last year's audit.

MOTION: Stevens moved and Workman seconded to approve a capital budget request for the Lancaster County Agricultural Society at \$33,900 for the payment on the thermal well field and the associated levy that would generate those kinds of funds.

Stevens said he believes the cost of other items in the capital budget request can be made up by having users of the facility pay appropriate rental charges and by including a modest admission fee for some of the events.

Workman said he had hoped that the facility would become self-supporting.

Schorr said it would be close to doing so, if the Ag Society could get revenue from the electronic sign. **NOTE:** Advertising of off-premise activities (commercial products) on its electronic sign is no longer allowed because it was deemed to be a violation of federal and state law and the Nebraska Department of Roads' rules and regulations for controlling outdoor advertising. Attempts to have the land zoned Commercial (C) have been unsuccessful.

ROLL CALL: Stevens voted aye. Heier, Workman, Hudkins and Schorr voted no. Motion failed.

MOTION: Workman moved and Stevens seconded to approve the capital expenditures, minus the \$25,000 for showers/bathroom in the Exhibit Hall and \$16,000 for light poles. Workman and Stevens voted aye. Hudkins, Heier and Schorr voted no. Motion failed.

MOTION: Hudkins moved and Heier seconded to allow the capital expenditure request, except to reduce the line item for the showers/bathroom in the Exhibit Hall to \$15,000. Workman, Heier, Hudkins and Schorr voted aye. Stevens voted no. Motion carried.

ADDITIONS TO THE AGENDA

B. Budget Adjustments

Kroeker said he anticipates a significant reduction in valuations and said additional discussion may be necessary before the Board takes action to adopt the budget.

NOTE: The Board is scheduled to adopt the budget at the Tuesday, August 22, 2006 Board of Commissioners Meeting.

The Board scheduled budget discussion at 9:30 a.m. on Monday, August 21, 2006, or immediately following the City-County Common Meeting.

7 SALARY FOR RISK MANAGEMENT DIRECTOR - Don Taute, Personnel Director

Don Taute, Personnel Director, discussed the request from Sue Eckley, Workers' Compensation & Risk Management Manager, that the salary for the Risk Management Director Position be set at \$69,066 and that the salary be effective July 1, 2006 (see agenda packet). He said he did not have a problem with the suggested salary, which is slightly above the maximum of the E28 pay range maximum (Eckley's current pay range), but said the salary should be effective with creation of the department and director's position.

MOTION: Hudkins moved and Stevens seconded to: 1) Create the Risk Management Department; 2) Appoint Sue Eckley as director; 3) Set the salary at \$69,000; and 4) Forward the matter to the Tuesday, August 22, 2006 Board of Commissioners Meeting for formal action.

FRIENDLY AMENDMENT: The seconder offered a friendly amendment to indicate that the salary effective date will be August 31, 2006.

The maker of the motion accepted the friendly amendment.

ROLL CALL: Heier, Stevens, Hudkins, Workman and Schorr voted aye. Motion carried.

8 ADMINISTRATIVE OFFICER REPORT

A. Nebraska Association of County Officials (NACO) Representative

Heier agreed to serve a two-year term as the NACO representative.

B. Visitors Promotion Committee (VPC) Committee Appointments (Tom Lorenz, Scot Miller and Cynthia Miller) (Exhibit B)

The Board scheduled the appointments on the Tuesday, August 22, 2006 Board of Commissioners Meeting agenda. Additional information was requested regarding Cynthia Miller.

C. Update on Bailiffs

Kerry Eagan, Chief Administrative Officer, said the Review Committee believes the Corrections Department is an appropriate placement but the District Court Judges do not want a change.

Board consensus was to reconvene the Review Committee and request a written report.

D. Budget and Fiscal Officer Position

The Board directed Kerry Eagan, Chief Administrative Officer; Don Taute, Personnel Director; and Dave Kroeker, Budget and Fiscal Officer, to develop qualifications, a supplemental questionnaire and a job advertisement for Board review.

E. Regional Design Workshop (Strategic Air Command (SAC) Museum, September 13-14, 2006)

Workman, Hudkins and Schorr indicated plans to attend.

F. Salaries for Unclassified Employees

Eagan was asked to check the timetable for salary review.

G. Director Evaluations

Discussion took place regarding the evaluation process, with consensus to discuss this issue with the directors at the next Management Team Meeting.

9 DISCUSSION OF BOARD MEMBER MEETINGS

A. Juvenile Justice Review Committee - Heier

No report.

B. Information Services Policy Committee - Stevens

No report.

C. Joint Budget Committee (JBC) - Hudkins, Stevens

Stevens said three of the funding requests received contingency funding.

D. County Budget Monitoring Committee - Hudkins, Stevens

Hudkins said most of the questions regarding the budget were related to the Corrections Department and plans to build a new jail.

E. Lincoln Independent Business Association (LIBA) Budget Monitoring Committee - Stevens

Stevens said it was suggested that the time frame for the budget process be compressed and that government functions be merged.

F. District Energy Corporation - Hudkins, Heier

Hudkins said expansion of service was discussed.

ADDITIONS TO THE AGENDA

A. Holiday Meeting Schedule

Board consensus was to not hold a County Board of Commissioners Meeting on Tuesday, December 26, 2006; or Tuesday, January 2, 2007. A Staff Meeting will not be held on Thursday, December 21, 2006 or Thursday, December 28, 2006. The Board will resume their regular meeting schedule on Thursday, January 4, 2007.

10 ADJOURNMENT

MOTION: Stevens moved and Hudkins seconded to adjourn the meeting at 12:50 a.m. Hudkins, Heier, Stevens and Schorr voted aye. Workman was absent from voting. Motion carried.

Bruce Medcalf
Lancaster County Clerk